



REQUEST FOR PROPOSALS
April 2007
PERIOD OF PROPOSAL SUBMISSION ENDS
5:30 PM, Wednesday, April 18, 2007

The U.S.-China Economic and Security Review Commission (“The Commission”) invites submission of proposals to provide a report evaluating the impact of Chinese state-owned and -controlled enterprises on economic affairs in China and on bilateral trade and economic relations with the United States.

ABOUT THE COMMISSION. The Commission was established by Congress in 2000 to monitor and report to Congress on the economic and national security dimensions of the United States’ trade and economic ties with China. Further details about the Commission are available on its website: www.uscc.gov.

ABOUT PROPOSALS. The Commission solicits proposals from contractors capable of providing a one-time report describing the financial condition of Chinese state-owned and -controlled enterprises with some historical context. The Commission is seeking to have the completed research paper delivered by Tuesday, May 15, 2007. In this evaluation, the contractor shall use publicly available sources to evaluate the financial integrity of these enterprises and the extent to which the State provides resources to and exerts control over them.

Among the matters to be examined in the effort and addressed by the report are:

- Select and analyze the financial condition of ten (10) Chinese state-owned enterprises (SOEs) throughout the most recent ten-year period for which data can be obtained, including but not limited to the growth in their revenue and profitability. The selected SOEs must include three (3) from the sectors over which the State Assets Supervision and Administration Commission recently declared it must maintain “absolute control” and three (3) from the sectors declared by the government of the People’s Republic of China (PRC) to be “heavyweights” over which the PRC government must maintain substantial control. Each of the selected companies must be listed in some manner on PRC stock exchanges.
- Provide the amount of new capital each selected SOE has raised on the international capital markets during the same ten-year period and from what sources that capital has been obtained.
- Provide the amount of subsidies (e.g., special tax preferences; direct grants; loan forgiveness) each selected SOE has received during the same ten-year period from the PRC government.

- Identify any joint ventures that existed during the same ten-year period between the selected SOEs and foreign investors including American corporations.
- Enumerate the outward foreign direct investment activities of the selected SOEs during the same ten-year period, including the amounts invested, foreign companies acquired, and subsidiaries established abroad.
- Describe how and the extent to which the SOEs' exports to the United States and other markets, if any, have changed over the same ten-year period.
- Provide the total amount of China's trade activity during the same ten-year period in the industrial sector represented by any one or more of the selected SOEs, and indicate the proportion of the trade in that sector attributable to each selected SOE from that sector.

Proposals should include:

- A statement of the applicant's relevant qualifications to satisfy the terms of this RFP, including language capabilities, business financial acumen, and experience in evaluating public companies;
- A list of the SOEs the research will cover;
- The parameters of the ten-year period covered by the data that will be used to conduct the analysis and prepare the report;
- At least a partial list of relevant source materials the contractor intends to utilize to complete the research;
- A presentation of the research methodology the applicant proposes to employ;
- An estimate of the time and resources the applicant will need to complete the required work
- An assurance that the required work will be completed and submitted to the Commission no later than Tuesday, May 15, 2007;
- The price the applicant will charge to the Commission to complete the work required by this RFP and further described in the applicant's proposal.

At its discretion, the Commission may post on its website the report procured via this Request for Proposal.

The Commission will determine to which organization or individual responding to this request to award this work based on "best value" analysis of the proposals received, including consideration of costs, the anticipated technical value of the report each respondent proposes to prepare, the methodology each respondent proposes to employ, and the ability of each respondent to complete the work satisfactorily and deliver the requested product on time.

CONTRACTING PROCEDURE. Each organization or individual responding to this request must warrant that it/he/she is performing this work solely for the Commission and that the resulting study will not be shared with other parties without the prior written consent of the Commission.

Firms and individuals wishing to submit a proposal in response to this Request for Proposal must ensure that the response arrives at the following location by 5:30 p.m. on Wednesday, April 18, 2007, or it will not be accepted or considered.

Electronic submissions are acceptable.

Kathy Michels
Associate Director
U.S.-China Economic and Security Review Commission
Room 602
Hall of the States
444 North Capitol Street, N.W.
Washington, D.C. 20001
kmichels@uscc.gov
Tel: 202-624-1409